 25X1
20 February 1964
Copy 6

MEMORANDUM FOR: Deputy Director (Science and Technology)

SUBJECT: Status of Title to OXCART and KEDLOCK Aircraft

1. In response to your verbal request of the evening of 19 February, there is attached herewith a brief statement describing the ownership and acceptance machinery for OXCART and KEDLOCK aircraft.

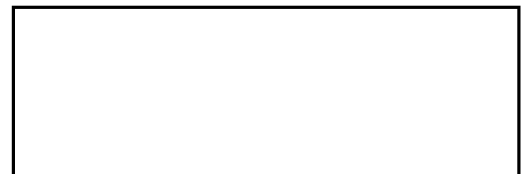
2. I have orally passed this on to Mr. Keeney at the White House, and he in turn has requested that a copy of this be available for the 1400 meeting in the White House this date. I should, therefore, like to ask you to deliver Mr. Keeney's copy to him.

JAMES A. CUNNINGHAM, JR.
Acting Assistant Director
(Special Activities)

cc: DDCI
Mr. Spurgeon Keeney

Distribution:
#1-DD/S&T
#2-DDCI
#3-Spurgeon Keeney (White House)
#4-DAD/OSA
#5-Chrono
#6-RB/OSA
O/DAD/OSA/JACunningham/mcm(20 Feb 64)

25X1



SECRET

Approved For Release 2006/02/07 : CIA-RDP89B00980R000600050036-5

OX CART AND KEDLOCK AIRCRAFT, VESTING OF TITLE

1. Title to these aircraft, having been procured under fixed price redeterminable type contracts, vests "constructively" in the Government upon roll-out from the Lockheed plant in Burbank, California. This conditional acceptance is subject to contractor's continuing with all necessary additional work at the test area, including the flight test program, and demonstration of full specification performance prior to final acceptance.
2. The f.o.b., Burbank, conditional acceptance and passage of "constructive" title was provided contractually primarily to shift the in-transit loss-or-damage burden from the contractor to the Government, as a self-insurer. Because of the high-dollar value of the aircraft, the contractor would not assume full responsibility without commercial carrier insurance coverage. Because of security, it was impossible to make factual disclosures to an insurance carrier for them to assess risk factors involved. Furthermore, the risk of loss or damage appeared to be more properly coverable by the Government's self-insurance policy.
3. Final acceptance by the Government of each aircraft will be made after completion of flight test and specification demonstration at the test site. No aircraft to date has been finally accepted.
4. Even though supervisory control of certain aircraft has been assumed by the Detachment Commander at the test area, this has been for purposes of proceeding with Government-pilot training and equipment familiarization programs and has been subject to the contractor's continued maintenance, retrofit, IRAN, and ultimate aircraft specification performance demonstration.

25X1

Attachment

Cpy 6 of

SECRET

25X1

Approved For Release 2006/02/07 : CIA-RDP89B00980R000600050036-5

UNCLASSIFIED

INTERNAL

CONFIDENTIAL

SECRET

Approved For Release 2006/02/07 : CIA-RDP89B00980R000600050036-5

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

EXTENSION

NO.

Deputy Director for Support

DATE

6 JAN 1964

25X1

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1. Deputy Assistant Director (Special Activities)

Jim:

2.

I believe that we have taken all necessary action to see that the project described in your memo of 12 December 1963 [redacted] will receive first priority on actions placed with the Procurement Division, Office of Logistics. In this connection please note [redacted] to his Branch and Section Chiefs, dated 13 December 1963, copy attached.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

I have also asked the Director of Logistics to notify me of any case of delay or inability to meet deadlines.

LKW

Atts:

Att 1: Memo dtd 12 Dec 63 to D/L fm DAD/SA, subj: Procurement Action in Support of Project OXCART (Gys 1, 2, 3, 5 of [redacted])

Att 2: Memo dtd 13 Dec 63 to OL Branches and Sections, fm [redacted] subj: Requisitions of Prime Importance fm the Office of Special Activities, DD/S&T

Approved For Release 2006/02/07 : CIA-RDP89B00980R000600050036-5

FORM 3-62

610

USE PREVIOUS EDITIONS

SECRET

CONFIDENTIAL

INTERNAL USE ONLY

UNCLASSIFIED